For

Republic of the Union of Myanmar ★ Myanmar Investment Commission ★

Sr. No. 6945

Dated 28.5.2012

The Myanmar Investment Commission

PERMIT

Permit No. 478/ 2012 Date 28 May, 2012

The Myanmar Investment Commission issues this Permit under Section 10 of the Republic of the Union of Myanmar Foreign Investment Law-

(a) Name of Promoter MR. HIRAI TAKAO

(b) Citizenship JAPANESE

(c) Address 1-11-34, FUNABASHI-CITY, CHIBA, JAPAN

(d) Name and Address of principal organization THY PTE LTD.,9 PENANG ROAD#07-15, PARK MALL,SINGAPORE (238459)

(e) Place of incorporation SINGAPORE

(f) Type of business in which investment is to be made MANUFACTURING OF GARMENTS ON CMP BASIS

(g) Place(s) at which investment is permitted PLOT NO. 19/381, KANAUNG MIN THAR GYI STREET, SHWE PAUKKAN INDUSTRIAL ZONE, YANGON REGION

(h) Amount of foreign capital US$ 0.638 MILLION

(i) Period for bringing in foreign capital WITHIN (6)MONTHS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US$ 0.638 MILLION

(k) Permitted duration of investment 5 YEARS

(l) Name of the economic organization to be formed in Myanmar THY GARMENT CO., LTD.

Chairman

The Myanmar Investment Commission

2/2/15

မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၄၇၈/၂၀၁၂ ၂၀၁၂ ခုနှစ်၊ မေလ ၂၈ ရက်

ပြည်ထောင်စု သမ္မတမြန်မာနိုင်ငံတော် နိုင်ငံခြား ရင်းနှီးမြှုပ်နှံမှု ဥပဒေ ပုဒ်မ (၁၀) အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံ ရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည်-

(က) ကမကထပြုသူ၏အမည် MR. HIRAI TAKAO

(ခ) မည်သည့် နိုင်ငံသား JAPANESE

(ဂ) နေရပ်လိပ်စာ 1-11-34, FUNABASHI-CITY, CHIBA, JAPAN

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ THY PTE LTD.,9 PENANG ROAD#07-15, PARK MALL,SINGAPORE (238459)

(င) ဖွဲ့စည်းရာအရပ် SINGAPORE

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား CMP စနစ်ဖြင့် အထည်ချုပ်လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၁၉/၃၈၁ ကနောင်မင်းသားကြီးလမ်း၊ ရွှေပေါက်ကံ စက်မှုဇုန်၊ ရန်ကုန်တိုင်းဒေသကြီး

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၀.၆၃၈ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ကော်မရှင် ခွင့်ပြုမိန့် ရရှိပြီး(၆) လ အတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်းပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၀.၆၃၈ သန်း နှင့် ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့် သက်တမ်း ၅ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေး အဖွဲ့အစည်းအမည် THY GARMENT CO., LTD.

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

REPUBLIC OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Building No.(32), Nay Pyi Taw

Our ref : Ya Ka-1/Na-644 / 2012(6945)

Dated : 28 May 2012.

Tel: 067-406334,406075

Fax: 95-67-406333

Subject : **Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Garment on CMP Basis " under the name of "THY Garment Company Limited"**

Reference: THY Garment Company Limited Letter dated (19-1-2012)

1. The Myanmar Investment Commission, at its meeting (12/2012) held on(2-5 -2012) had approved the proposal for investment in "Manufacturing of Garment on CMP Basis " under the name of " THY Garment Company Limited " submitted by " THY Pte Limited" of the Singapore as a wholly owned foreign investment.

2. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Republic of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 5 (Five) years commencing from the date of signing of the Land and Building Lease Agreement and extendible for another 5 (Five)years period by mutual agreement between both parties. At the end of the Lease Agreement, THY Garment Company Limited shall transfer the leased land and immovable properties to the lessors within 3 months in good condition, ground damages having been refilled and repaired.

4. The annual rent for the land and building shall be US $ 12,885.20 (United States Dollar Twelve Thousand Eight Hundred Eighty Five and cent Twenty only) calculated at the rate of US$ 8.00 per square meter per annum on the leased land area of 0.398 acres(1610.65 square meter). The rate of rent shall be revised in view of prevailing land lease rates after every 5 (Five) years period and the rate of increase shall not be more than 10% of the previous rate.

5. In issuing this "Permit," the Commission has granted amongst the followings, exemptions and reliefs as per Section 21(a)(i) and (j) of the Union of Myanmar Foreign Investment Law. Other exemptions and reliefs under Section (21) shall have to be applied upon the actual performance of the project;

(a) As per section-21(a), exemption from income tax up to 36 (Thirty six) consecutive months starting from the month of commencement of commercial operation.

(b) As per section-21(b), exemption from income tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made.

(c) As per section-21(c), right to accelerate depreciation in respect of machinery, equipment, building of other capital assets used in the business to the extent of the original value for the purpose of income- tax assessment.

(d) As per section-21(d),relief from income tax up to 50 percent on profits accrued from exports, following a 3-year tax holiday period.

(e) As per section-21(e), right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(f) As per section-21(f), right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(g) As per section-21(g), right to deduct from the assessable income such expense incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, only after 3 years tax holiday period.

(h) As per section-21(h), right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(i) As per section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(j) As per section-21(j), exemption from customs duty and all other internal taxes on such raw materials which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

6. THY Garment Company Limited shall have to sign the Land and Building Lease Agreement with Daw Zin Zin Tun. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

7. THY Garment Company Limited in consultation with the Department of Company Registration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

8. THY Garment Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit" it shall become null and void.

9. The commercial date of operation shall be reported to the Commission.

10. THY Garment Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

11. The Commission approves periodical appointments of foreign experts and technicians from abroad as per proposal. THY Garment Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

12. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Republic of the Union of Myanmar Foreign Investment

Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;

(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency.

13. Whenever THY Garment Company Limited brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 15(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

14. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure (1)]

15. THY Garment Company Limited shall have the right to conduct account transfer in exchanging foreign currency into Kyat and vice-versa as per para 20 of the Notification NO. 40/2011 issued by the Government of the Republic of the Union of Myanmar, dated 30 September 2011.

16. THY Garment Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

17. THY Garment Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

18. THY Garment Company Limited shall follow the procedures prescribe by the Commission, vide letter no. Ya Ka-7/ 408/ 94(0424) dated 29-6-94 [Annexure (3)] to expedite the clearance of imports of

capital and inter- industry use goods brought in as capital investment and raw materials required during the initial 3- years operation period.

19. Payment of principal and interest of the loan(if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of THY Garment Company Limited.

20. THY Garment Company Limited in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

(Soe Thane)
Chairman

THY Garment Company Limited

cc:
1. Office of the Union Government of the Republic of the Union of Myanmar
2. Ministry of National Planning and Economic Development
3. Ministry of Finance and Revenue
4. Ministry of Commerce
5. Ministry of Construction
6. Ministry of Foreign Affairs
7. Ministry of Home Affairs
8. Ministry of Immigration and Population
9. Ministry of Labour
10. Ministry of Industry
11. Ministry of Electric Power No.(2)
12. Director General, Directorate of Investment and Company Administration
13. Director General ,Department of Human Settlement & Housing Development

14. Director General, Customs Department
15. Director General, Internal Revenue Department
16. Managing Director, Myanmar Foreign Trade Bank
17. Managing Director, Myanmar Investment and Commercial Bank
18. Managing Director, Myanmar Insurance
19. Managing Director, Myanmar Electric Power Enterprise
20. Director General, Directorate of Trade
21. Director General, Immigration and National Registration Department
22. Director General, Directorate of Labour
23. Chairman, Republic of the Union of Myanmar Federation of Chambers of Commerce and Industry(RUMFCCI)